

Connecticut Orthopaedic Society Testimony
Senate Bill 393 An Act Concerning Standards in Health Care Provider Contracts
Insurance and Real Estate Committee
March 9, 2010

Senator Crisco, Representative Fontana and Members of the Insurance and Real Estate Committee, on behalf of the more than 200 orthopaedic surgeons of the Connecticut Orthopaedic Society, thank you for the opportunity to present this testimony to you on Senate Bill 393, An Act Concerning Standards in Health Care Provider Contracts.

I am Dr. F. Scott Gray, a medical physician and an orthopaedic surgeon in Danbury, a member of the AAOS and AOFAS , CSMS, FCMA and a board member of the Connecticut Orthopaedic Society.

The Connecticut Orthopaedic Society has had the pleasure of meeting with Senator Crisco, Representative Fontana and Speaker of the House Representative Christopher Donovan on the issue of pre- certification and authorization contained in this bill and we appreciate the time and thoughtful consideration you have given to the contracting concerns of the physician community.

The physician community has long ago adhered to the specific and cumbersome predetermination procedures required by various managed care organizations and utilization review companies, investing administrative time and on occasion experiencing delays in patient care to obtain the appropriate approval. What is not acceptable is that even after the formal approval process is completed, authorization received and care is given to the patient, the very company that approved the care reneges on payment to the physician despite the prior authorization and production of a precertification number.

This happened to my office recently when a Total Ankle Replacement was precertified and later denied as being "experimental surgery" when the precertification was based on the production of large amounts of peer reviewed literature to the insurance company in order to avoid denial for just such a reason. Subsequently the patient received a huge bill from the hospital because of the denial post fact. My office did not bill the patient hoping

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the issue could be resolved favorably with huge effort and expense on our part far outweighing the surgical payment 6 months later.

We urge you to apply the universal business practice that authorization is a guarantee for payment widely employed in a variety of industries, be applied to the contractual relationship between physicians and managed care organizations.

To this end we appreciate the spirit in which the bill was written and respectfully request that the language be refined to have a consistent standard of practice regardless of which named entity is reviewing and authorizing the predetermination that the language in Section 4 Subparagraph (A) and Section 5 be identical so as not to create confusion. For ease of bill language, we suggest that Sections 4 Subparagraph (A) and Section 5 could be combined to list all entities involved in the predetermination process and the inclusion of the terminology identified by these entities to include both precertification and preauthorization.

In closing I would like to thank you for your serious consideration to this matter. The orthopaedic community looks forward to working with this committee to ensure that the common and fair principles in contracting be applied to the physician community.